

Responses to Comments on OAR's Draft FY 2008 NPM Guidance

Comment (not verbatim)	Commenter	Response
<b>NAAQS</b>		
<p>1. Guidance page 3: Under first bullet – Ozone, PM, and Regional Haze, add: “Work with states to ensure that the SIPs submitted in advance of EPA finalizing its rules and modeling guidance will not need significant revisions in order to conform with those rules and guidance, once finalized.” This will help to avoid duplicative efforts and streamline EPA and state SIP resources.</p> <p>2. The NE states urge EPA-HQ to support the regional offices and work with states to ensure that the SIPs submitted in advance of EPA finalizing its rules and modeling guidance will not need significant revisions in order to conform with those rules and guidance when they are finalized. We</p>	NE states	<p>1. We recognize that the timing of the issuance of certain guidance documents and rulemakings related to 8-hour ozone, PM2.5, and regional haze may not be optimum for SIP development. We will continue to work closely with the States to address any issues that may arise. The Guidance on the Use of Models and Other Analyses for Demonstrating Attainment of Air Quality Goals for Ozone, PM2.5, and Regional Haze (EPA -454/B-07-002) issued in April 2007 is not regulation. Therefore, it does not impose binding, enforceable requirements on any party, and may not apply to a particular situation based upon the circumstances. The EPA and State decision makers have the discretion to adopt approaches on a case-by-case basis that differ from this guidance where appropriate. Any decisions by EPA regarding adequacy of a particular SIP to meet the 8-hour ozone or PM2.5 NAAQS or the Regional haze requirements will be based on the CAA and our regulations. Therefore, interested parties are free to raise questions and objections about the appropriateness of the application of this guidance to a particular situation during the State SIP development and EPA review process.</p> <p>For ozone, the preamble to the phase 2 implementation rule contains the following:</p> <p>The final rule [§51.908(c)] requires each attainment demonstration to be consistent with the provisions of 40 CFR 51.112, including appendix W. The EPA plans to use the current (2005) guidance and future updates as a benchmark for reviewing the technical analysis submitted in support of 8-hour ozone attainment demonstrations.</p> <p>2. HQ commits to prepare any necessary revised rules and guidance as expeditiously as practicable to account for the DC Circuit court ruling. HQ will work closely with the Regional Offices and States as necessary to minimize any disruption to States’ ongoing efforts</p>

Comment (not verbatim)	Commenter	Response
<p>recommend that EPA expedite any rules that must be revised and work closely with states on ozone SIPs, in light of the DC Circuit court ruling.</p> <p>3. With regard to coordinating and providing technical and policy guidance to the regions on ozone, PM<sub>2.5</sub>, and regional haze implementation programs, we recommend specific efforts to quantify and credit emission reductions in SIPs on high electric demand days that will account for demand side and other measures that reduce electricity demand and associated emissions from reduced generation.</p> <p>4. Recommend that EPA work with states to ensure that the base data for innovative and market-based projects continue to be available through EIA data collection efforts.</p> <p>5. Recommend adding a bullet for Regions to work with states to develop ozone and PM SIPs in the absence of implementation rules and guidance.</p> <p>6. Guidance page 5: Suggest explaining the rationale for specific targets (i.e., are these the expected results of federal measures already on the way?). If EPA expects that these reductions will come from federal measures, we suggest adding language explaining that these are EPA's targets and that states may have different specific targets. If EPA expects that at least some of the reduction targets will be state responsibilities, it should clearly indicate this. The only specific PM target concerns mobile sources and does not include emissions from area sources such as outdoor wood-fired hydronic heaters. Wood smoke can be a large part of the PM problem, especially in rural areas.</p> <p>7. NE states believe that the new PM standards are not stringent enough. Notwithstanding, EPA must ensure that revisions to the AQI for PM are made in a timely manner to ensure public health protection. EPA should</p>		<p>to develop and submit their ozone SIPs that may ensue from follow-up to the December 2006 court ruling and any subsequent rulings.</p> <p>3. The Office of Air Quality Planning and Standards (OAQPS), working with Regions, the Office of General Counsel, the Office of Atmospheric Programs, and the Clean Air Markets Division, will begin drafting a checklist that will serve as a "roadmap" for states on what they will need in their SIP in order to take SIP credit for control measures that target emissions on High Energy Demand Days. It is possible that the checklist will include other energy efficiency programs such as Energy Star.</p> <p>4. EPA doesn't understand this comment and is awaiting clarification.</p> <p>5. For ozone, in the interim prior to receiving any further ruling from the DC Circuit Court of Appeals, we recommend following the guidance issued in the March 19, 2007, memorandum from William L. Wehrum, "Impacts of the Court Decision on the Phase 1 Ozone Implementation Rule."</p> <p>6. The Strategic targets listed on page 5 of the draft National Technical guidance are taken directly from the Agency's 2006-2011 Strategic Plan. These targets are based upon expected air quality improvements that will result from current Federal measures, the NOx SIP call, and implementation of the Clean Air Interstate Rule. The contributions of states' reductions have not been factored into EPA's estimates since SIP revisions for ozone and PM2.5 are still being developed and those associated emission reductions have not been taken into account.</p> <p>7. An Agency workgroup has been formed and is in the process of developing a proposal. OMB has not made a determination whether the rule is significant, so it is not clear yet exactly what our timeline</p>

Comment (not verbatim)	Commenter	Response
<p>work with states to undertake a more comprehensive AQI modification to reflect current AQI usages.</p> <p>8. The NE states thank EPA for its support through NESCAUM to develop a model rule that can address pollution from Outdoor Wood-fired Hydronic Heaters (OWHH). The draft guidance, however, does not reflect EPA's commitment to further develop the OWHH program, including further analysis on emissions standards beyond the preliminary numbers set in 2006, further study on emission impacts, and further analysis and expansion of EPA's test methods to include other hydronic heater types.</p> <p>9. OAQPS should maintain its commitment to revisit EPA's voluntary OWHH program in FY08. EPA should also commit funding to assist in developing test methods for units not covered in the existing EPA OWHH test method, such as mass water storage units and outdoor pelletized heaters. EPA should provide training to states on residential woodsmoke issues and reduction strategies.</p>		<p>will be. We expect to propose revisions in the Fall of 2007.</p> <p>8. The primary intent of EPA's voluntary OWHH program is to encourage manufacturers to produce and distribute cleaner OWHH models sooner than could be achieved with a federal regulation. Program participants have committed to work toward the development of one or more models that meet the EPA voluntary OWHH program Phase I emissions limit of 0.60 lb/mmBTU. The Agency's intent has always been to support the development of cleaner and cleaner units. The Agency will review the data generated during Phase I of the voluntary program and the progress being made by states in regulating these units. We will then use this information as a guide as we consider Phase 2 of the voluntary program and an even more stringent emissions limit. Staff will also continue to evaluate the most recent technical information related to emission impacts as we move forward with our voluntary program. At this time, EPA does not have the resources to commit to funding the development of test methods for other types of units not covered under the existing EPA OWHH test method. However, our staff will continue to keep abreast of progress being made in the development of these units in case future funding becomes available.</p> <p>9. OAQPS staff continue to collaborate with the various stakeholder groups involved in the development of EPA's voluntary OWHH program to determine the progress being made by each party. Our organization is also currently planning training for state and local agencies on our Great American Woodstove Changeout Program, our OWHH voluntary program, and on cleaner burning techniques. The first workshop is currently scheduled for July 2007 in Baltimore and another is scheduled for September 2007 in Philadelphia. At this time, EPA does not have the resources to commit to funding the development of test methods for other types of units not covered under the existing EPA OWHH test method. However, our staff will continue to keep abreast of progress being made in the development of these units in case future funding</p>

Comment (not verbatim)	Commenter	Response
		becomes available.
<p>1. Guidance page 31: The NAAQS discussions should be updated to reflect the new 24-hour PM<sub>2.5</sub> standard, and to recognize that states and EPA have significant work to do related to this new standard.</p> <p>2. Guidance page 5: We believe the strategic targets for ambient concentrations of ozone and PM<sub>2.5</sub> are achievable through implementation of currently “on-the-books” controls. To be considered “strategic”, we feel they should be more robust and result in greater improvements in air quality.</p>	WI	<p>1. The reference to continuing a major portion of funding to 8-hr ozone and PM 2.5 work does not differentiate between the annual and new 24-hr PM 2.5 standard.</p> <p>2. The strategic targets for ozone and PM2.5 are applicable to the entire nation. The strategic targets incorporate reductions from the NOX SIP call, promulgated Federal measures, and modeled reductions from CAIR, but reductions from the NOX SIP call and CAIR are not applicable to all areas of the U.S. In those areas, significant progress will have to be made to ensure that our national targets are met. Also, as this is an iterative process, the Agency will assess its progress in ozone and PM2.5 reductions and review/revise its strategic targets in its 2009-2014 Strategic Plan.</p>
EPA is overdue on providing guidance that is essential to submittal of various SIPs. EPA must complete the development and issuance of this guidance very quickly. Our agencies are already experiencing complications from the lack of having this guidance in-hand.	Metro 4 and SESARM	We recognize that the timing of the issuance of certain guidance documents and rulemakings related to 8-hour ozone, PM <sub>2.5</sub> , and regional haze may not be optimum for SIP development. We will continue to work closely with the States to address any issues that may arise.
<b>Regional Haze / RPOs</b>		
<p>The National Academies, CAAAC, and EPA have acknowledged the value of RPOs because of the shared resources, regional collaboration, enhanced communications, and cost-effectiveness that have resulted. Air quality in the Southeast and across the nation is benefiting from the regional planning approach. EPA should continue to support regional planning through adequate funding so that regional air quality concerns can be addressed in a holistic, one-atmosphere process.</p> <p>Regional haze SIPs are due to EPA from the states by 12/17/07. The work of the RPOs does not end with the submittal of the SIPs. Not only will the RPOs be required to respond to questions and provide technical documentation and explanations to EPA as the SIPs are reviewed, they will also be required to begin preparing for the first interim assessment of progress that is due in about five years. Inventory enhancements,</p>	Metro 4 and SESARM	EPA recognizes the tremendous value that the RPOs have provided to States to foster regional planning and advance much of the technical work and analyses to address regional haze; however, we anticipate that the level of effort needed for future work under the regional haze program will not be as great as the historical need. We also recognize that regional planning is needed to address issues beyond regional haze, keeping in mind that this goes beyond the scope of the original charter for RPOs. The Agency must now absorb significant funding reductions impacting our national programs and attempt to balance and prioritize its work. While our principal priority must focus on health-related impacts, OAQPS encourages continued, open communication between the RPOs, EPA Lead Regions and OAQPS on mutual issues of interest.

Comment (not verbatim)	Commenter	Response
<p>monitoring, data reviews, model enhancements, and verification of model predictions will be necessary. EPA has proposed to cut RPO funding to a mere \$1 million for FY08. We suggest that funding should be restored to ensure that RPOs can adequately support state SIPs and continue to monitor and assess visibility improvement progress. We respect EPA's acknowledgement that states should have discretion in future funding of RPOs but we disagree with EPA's premise that the burden for funding future regional haze work should be shifted primarily to the states.</p> <p>No restoration of RPO funding should be done at the expense of local and state agency §105 grants.</p>		
<p>Guidance page 29: EPA indicates that funding for the RPO's is being cut because the regional haze network is almost complete. However, EPA taps the RPO's for acid rain work related to CASTNET. Additionally, the haze work may be diminishing, but is not nearly as complete as EPA suggests. There is a lot of research to be done, particularly related to ammonia emissions and control of organic carbon. EPA does not seem to be addressing either issue, and the RPO's are a likely avenue for completing this work.</p>	WI	<p>EPA recognizes the tremendous value that the RPOs have provided to States to foster regional planning and advance much of the technical work and analyses to address regional haze. We agree more work remains to be done for regional haze. We also recognize that regional planning is needed to address issues beyond regional haze, keeping in mind that this goes beyond the scope of the original charter for RPOs.</p> <p>EPA is doing considerable work related to both ammonia and organic carbon. EPA is achieving reductions in organic carbon by direct federal action (for example, regulations to reduce PM emissions from vehicles and engines subject to federal authority) and assisting state, local and tribal actions by improving tools to assess local situations and local control options. In addition, the Agency is overseeing a monitoring study of confined animal feeding operations that will provide additional information for both particulate matter and ammonia.</p> <p>As our knowledge of carbonaceous particulate matter and ammonia increases, we will look to address their impacts and controls in future strategic planning documents.</p> <p>If you would like to reference some of our ongoing work, please visit these following websites:  <a href="http://www.epa.gov/pmresearch">http://www.epa.gov/pmresearch</a></p>

Comment (not verbatim)	Commenter	Response
		<a href="http://www.epa.gov/air/particlepollution/links.html">http://www.epa.gov/air/particlepollution/links.html</a> <a href="http://cfpub.epa.gov/si">http://cfpub.epa.gov/si</a>  EPA also has a web page on the PM site that includes links to various sources of information on control measures for direct PM <sub>2.5</sub> (including organic and elemental carbon) and PM precursors. We are also developing a table of control measure information that will be released in the near future. Additional information can be found at: <a href="http://www.epa.gov/air/particlepollution/measures.html">http://www.epa.gov/air/particlepollution/measures.html</a>
<b>Ozone Transport</b>		
EPA should work with states to seek out new opportunities to reduce continuing air pollution transport from out the region beyond CAIR.	NE states	EPA believes that CAIR addresses ozone transport adequately at this time in the Eastern U.S.
<b>Title V/NSR</b>		
Concerned with EPA regulatory revisions to NSR that are inconsistent with CAA requirements and fail to withstand judicial review.	NE states	The latest series of NSR reforms grew out of a widespread consensus that the NSR program was in need of improvement. EPA issued rules to make needed improvements, and explained why it believed that these rules were justified from both a legal and policy standpoint. Although we are disappointed that Courts overturned some of these rules, many of the reforms have been upheld by Courts, and we will continue to look for ways to improve our rules when we believe we can do so consistent with the CAA.
<b>Air Toxics</b>		
Guidance page 11: Generally support the development of additional area source MACT standards for control of hazardous air pollutant emissions. However, the current federal program direction essentially provides no support for implementation. No guidance is available on implementation efforts expected of states/locals/tribes in this program area. Furthermore, future area source rules are anticipated to exempt area sources from Title 5 permitting requirements, and thus render implementation activities ineligible for Title 5 funding. State 105 grant amounts, the likely alternate funding source for these activities, are shrinking and will likely have additional demands placed on them. Without a plan for implementation, and	WI	Guidance for implementation of area source program is presently under discussion. We hope to get a greater sense of the categories that are priorities in upcoming discussions with the States. This will allow us to better set priorities on developing area source implementation guidance.

Comment (not verbatim)	Commenter	Response
a funding source for implementation activities, the new standards will be of little environmental value.		
<p>1. Guidance page 23: Include promulgation of the area source standards. This section outlines five components to the air toxics strategy including a residual risk program; however, the area source program is not mentioned as part of the strategy. Development of the area source standards and programs will require significant resources as an integral part of the air toxics program. Promulgation of the rules is solely the Agency's responsibility - in fact, we are under court order to promulgate the area source standards and should include this activity as a component of the federal support of air toxics programs.</p> <p>2. Guidance page 25, under the Air Toxics Implementation: Priorities for 2008 Subsection: Include “development of Residual Risk and Area Source programs/standards” as a priority for HQ. It is already included as a priority for Regions.</p>	Region 5	<p>1. The area source program is listed under the Federal Stationary Source Regulations heading on page 13 of the Final Guidance.</p> <p>2. Inadvertently left off. We’ve added it back as a HQ priority—see page 27 of Final Guidance.</p>
EPA is required to develop important standards in FY08, including several related to Residual Risk and Area Source requirements, yet rule development was not listed among EPA HQs’ list of priorities (page 25). In light of the importance of effective air toxics rules, NACAA believes this essential activity should be among EPA’s priorities for the coming fiscal year.	NACAA	Inadvertently left off. We’ve added it back as a HQ priority—see page 27 of Final Guidance.
Residual risk and area sources – Rule development and issuance in these categories needs to be enhanced.	Metro 4 and SESARM	An Advanced Notice of Proposed Rulemaking (ANPR) was published on March 29, 2007 on residual risk for 22 categories—the NPRM is planned for later this FY. NPR will be issued on residual risk by this summer for an additional 8 categories. We anticipate promulgating standard for these categories in FY08. The area source rules are being completed per court ordered schedule. By the end of FY08, we will have promulgated standards for 46 of the 70 categories.
<b>Ambient Monitoring</b>		
<u>Particulate Matter Monitoring</u>	NACAA	

Comment (not verbatim)	Commenter	Response
<p>1. It appears EPA is assuming that, by shifting PM<sub>2.5</sub> monitoring from §103 to 105 authority, the reduction in funding will be made up by the required 40% match and EPA can still mandate that the funds be spent only on PM<sub>2.5</sub> monitoring. In reality, however, many state and local agencies will not be able to make up the cut in funding for PM<sub>2.5</sub> monitoring and the monitoring will compete with other state and local priorities once the funding is moved under §105 authority.</p> <p>The President's budget reduced PM<sub>2.5</sub> monitoring funds by 40% just when monitoring costs are expected to increase due to new particulate standards. State and local agencies will be faced with carrying out important PM<sub>2.5</sub> monitoring activities with greatly diminished monitoring resources, or reducing the monitoring network. EPA should not assume that state and local governments will be able to make up this lost revenue. Most agencies are facing ongoing budget restrictions, so that there are few if any additional resources available for replacing those funds. Agencies that are barely meeting the current match may not be able to accept new §105 funds. Those that can increase their match may not be in a position to target the additional funds to PM monitoring in the face of so many competing priorities. Further, agencies that are well above the match are not required to increase their contributions to accept increased §105 funds, so no additional state or local funds will be made available in those areas. As a result, agencies could have to choose between cutting other priority work to keep the monitoring program operational or curtailing extremely important monitoring activities.</p> <p>2. In shifting monitoring funds from §103 to 105 authority, EPA should recognize that there is a basic difference between the two programs. Under §103, EPA funds 100% of the cost of a program. Accordingly, EPA may dedicate the funds to a specific purpose, such as PM<sub>2.5</sub> monitoring. §105 is the federal grant used to provide a portion of the ongoing funding required to state and local agencies to carry out their responsibilities under the CAA. While many state and local agencies will give high priority to PM<sub>2.5</sub> monitoring, others will redirect the funds to higher priorities once the funding is moved to §105 authority.</p>		<p>1. EPA realizes that the 40% match requirement applies on an overall basis to 105 grants, not to individual activities such as PM<sub>2.5</sub> monitoring. EPA expects state and local agencies to consider relative priorities across all 105-funded activities, and not to automatically reduce PM<sub>2.5</sub> monitoring because it is identified for a reduction in federal funding. The wording in Appendix A was revised in light of this comment, to read "In negotiating grants using FY 2008 funds, EPA's priority will be that essential monitoring for protection of public health from PM exposure above the NAAQS will not be compromised. It is EPA's intention to negotiate grant work plans and accountability measures that ensure that PM<sub>2.5</sub> monitoring activities required by regulation, needed for the development of SIPs, or needed for informing the public of days with unhealthy air quality are continued."</p> <p>2. EPA notes that the comment appears to imply that EPA has no role in determining how funds awarded under section 105 authority. This is not true. EPA's policy on the administration of 105 grants is that every 105 grant must have a negotiated work plan. EPA has not yet developed a specific approach for incorporating PM<sub>2.5</sub> monitoring activities into FY2008 105 grant work plans, but we intend to discuss this issue with state/local stakeholders during the remainder of FY2007. See also the response above.</p>
<p>1. Maintaining a robust network will be difficult given a cut in PM<sub>2.5</sub></p>	<p>Metro 4 and</p>	<p>1. See the responses to the NACAA comments.</p>



Comment (not verbatim)	Commenter	Response
<p>monitor funding from \$42 to \$25 million. The scope of NCore site development should be scaled back and the timing should be adjusted to reflect budget realities. Guidance is needed on Annual Network Assessments including what should be considered a “low value.” CASTNET enhancements should be terminated and funds should be returned to the regional allocations.</p> <p>2. Air toxics monitoring – The entire \$10 million allocated should be shifted to the \$105 account for distribution to the local and state agencies according to an equitable formula.</p>	SESARM	<p>2. EPA is committed to the establishment of a national air toxics trend network working in concert with state and local jurisdictions to help assess the risks of hazardous air pollutants to public health. EPA also believes that the community-scale monitoring continues to provide valuable information to be shared by states and locals in this effort.</p>
<p><u>Other Ambient Monitoring</u></p> <p>1. The draft guidance states that the National Ambient Air Monitoring Strategy document “will provide agencies with more flexibility in designing their networks” (page 15). Although this was one of the central goals originally, it was premised on level funding allocations for monitoring, which is no longer the case. State and local agencies will now be hard-pressed to meet minimum federal monitoring requirements, let alone enjoy the flexibility to allocate funds to local or regional monitoring needs such as air toxics or supplemental PM<sub>2.5</sub> sites. Given the deep reduction of the PM<sub>2.5</sub> monitor funding from \$42 million to \$25 million, it is difficult to see that it can be, as we would all wish, “a large robust network...to support several monitoring objectives...” (page A-21).</p> <p>2. NACAA supports multipollutant NCore monitoring, which was a cornerstone of the Strategy, but not at the expense of mandated NAAQS-related monitoring. EPA asks for comment on “the extent to which state and local agencies will be able to re-orient their monitoring programs in FY08 to prepare for [NCore]” (page A-18). While the nature of “reorientation” activities is not clear, in light of the continued need for regulatory monitoring, public information monitoring (AIRNOW), the new requirements of the October 17, 2006 regulations, and the slashed FY08 budget, it appears unlikely that state and local agencies will have the resources to re-orient their programs to NCore multipollutant sites. EPA</p>	NACAA	<p>1. EPA has taken note of this concern. The next revision to the draft National Ambient Monitoring Strategy will contain updated information on recent and proposed funding levels.</p> <p>2. EPA considers NCore monitoring to be “mandated NAAQS-related monitoring.” As explained in the final FY2008 guidance, the allocation of FY2007 PM<sub>2.5</sub> monitoring funds includes funds targeted to purchase of new trace-level gas analyzers for NCore stations where previous year allocations did not already provide such funds. EPA is not convinced at the present time that NCore requirements are out of reach of any affected monitoring agency, but we will continue to address specific problematic cases if any as they are raised by individual monitoring agencies. The regulatory provision on NCore allows the Regional Administrator to approve</p>

Comment (not verbatim)	Commenter	Response
<p>should consider scaling back the scope and timing of NCore sites in light of the budget realities.</p> <p>3. NACAA agrees that “all pollutants are still of interest depending on local needs and use of the data for other monitoring objectives” (page A-28). We encourage EPA to issue guidance on the Annual Network Assessments, including criteria for concluding which existing carbon monoxide, sulfur dioxide, nitrogen dioxide, lead, PM<sub>10</sub> and PAMS monitors should be considered “low value.” We understand that guidance will be released on the Five-Year Network Assessment requirement.</p> <p>4. The grant guidance indicates that Acid Rain funds under §105 may be used to establish, modernize, and/or operate CASTNET sites (page 11). In the past, EPA proposed to use \$3.5 million in grant funds for this program. NACAA continues to question the technical viability of CASTNET and objects to the use of state and local air grant funds for its development. We recommend that the CASTNET enhancement project be terminated immediately, and any remaining funds be added to the Regional allocation for the FY08 §105 grant.</p>		<p>alternative NCore activities.</p> <p>3. 40 CFR 58.14 identifies types of situations in which monitors can be considered “low value” and eligible for removal. A recent EPA guidance document posted at <a href="http://www.epa.gov/ttn/amtic/files/ambient/pm25/datamang/network-assessment-guidance.pdf">http://www.epa.gov/ttn/amtic/files/ambient/pm25/datamang/network-assessment-guidance.pdf</a> provides an example analysis. EPA still intends to develop a guidance document specifically addressing the Five-Year Network Assessment requirement, resources permitting.</p> <p>4. The guidance was intended to indicate that the portion of the 105 funding that is attributable to the Acid Rain Program may, at any State’s discretion, be used for ambient or deposition monitoring purposes. This reference is being deleted. The FY 2006 funds targeted for CASTNET use have been obligated to a procurement and are no longer available.</p>
<p><u>Shift of Monitoring Funds from §103 to §105</u></p> <p>With the proposed shift of fine particle monitoring funds from §103 to 105, a new 40% match obligation would have to be met by the agencies. This would add an additional funding and maintenance of effort burden to the agencies. Some of the southeastern agencies are already having difficulty meeting match and maintenance of effort requirements and the proposed shift would only exacerbate the problem. We continue to request, as we did last year, that the monitoring funds remain under the authority of §103.</p>	<p>Metro 4 and SESARM</p>	<p>EPA acknowledges this concern, but continues to believe that like other monitoring, PM2.5 monitoring should be funded under §105 authority. CAA §103 addresses research, investigation, training and other activities. It allows the Administrator to make grants to air pollution control agencies, to other public or nonprofit private agencies, institutions, and organizations, and to individuals to conduct, and promote the coordination and acceleration of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects (including health and welfare effects), extent, prevention, and control of air pollution. EPA, with Congressional authorization, provided for the full funding of the development of the PM2.5 monitoring network. As these monitoring networks are now integral components of the States’ ongoing air quality management program, continuing program support is provided under the authority of §105.</p>

Comment (not verbatim)	Commenter	Response
<p>1. Guidance page 19: FY08 ambient monitoring priorities include acting on requests for Federal Equivalent Methods (FEM) and Approved Regional Methods (ARM) for continuous PM<sub>2.5</sub> methods. This is very important to state monitoring programs. We believe that it is much more likely to see continuous measurements standardized using ARM's, and would like to see review and approval of ARM's given top priority.</p> <p>2. Guidance page 26: In the discussion under Air Toxics Monitoring, EPA claims as an FY07 accomplishment the issuance of guidance on the flagging of air toxics monitoring data to convey quality assurance metadata to users. To our knowledge, the guidance was issued in draft form only. EPA should make finalization of this guidance a priority.</p> <p>3. Guidance page 26: In FY07, EPA conducted Proficiency Testing and Technical system Audits for national contract labs and state/local labs servicing NATTS. We would like to note that this is a very helpful program to states as they seek to improve air toxics data quality. We very much appreciate EPA's efforts in this area.</p> <p>4. Guidance page 26: One of the FY08 priorities is to review the NATTS technical assistance Document and to issue updates as appropriate. The current document only exists as a draft, and the priority should be to finalize this document.</p> <p>5. Guidance page 29: The President's budget includes a significant reduction in 103 funds for the PM monitoring network. It seems likely that PM monitoring will, in some part, be transitioned to 105 funding in the future. The PM monitoring program represents a significant allocation of funds for Wisconsin and other states. A sudden shift from 103 funding to 105 funding would significantly compromise the states' ability to maintain current programs. EPA should commit to assisting states to plan for and transition PM monitoring programs to 105 funding.</p>	WI	<p>1. EPA agrees and is prepared to give ARM requests timely consideration.</p> <p>2. The air toxics monitoring data flagging guidance is being incorporated into Section 5 of the National Air Toxics Trends Station (NATTS) Technical Assistance Document, a final version for which will be issued prior to the end of FY07.</p> <p>3. EPA acknowledges the appreciation expressed in the comment.</p> <p>4. EPA agrees that the technical assistance document for NATTS should be reviewed and updated. However, inasmuch as the document is non-regulatory, formal finalization may not be essential.</p> <p>5. EPA fully intends to assist states in the transition from §103 funding to §105 funding.</p>
<p>1. We note that, while EPA is supportive of funding for an integrated ambient monitoring strategy, cuts to and matching requirements for STAG monies are posing significant problems for states.</p>	NE States	<p>1. EPA acknowledges this concern and will be working with the States in the transition from §103 funding to §105 funding to ensure that the national monitoring strategy is not significantly compromised.</p>

Comment (not verbatim)	Commenter	Response
2. Recently announced budget cuts may adversely affect states' ability to establish new and maintain existing monitoring networks.		2. EPA acknowledges this concern.
<b>Chronically-acid Water Bodies &amp; Monitoring</b>		
<p>1. According to the proposed FY08 budget, EPA is eliminating funding for the TIME/LTM Survey. We find it difficult to understand how EPA will know if it is making progress towards its long-term target in 2030 of a 30% reduction in the number of chronically-acidic water bodies in acid-sensitive regions if, in 2008, EPA ceases funding of the monitoring network that establishes the baseline against which this target is measured. While a reduction in emissions due to CAIR and other measures has some bearing on meeting environmental targets, that in and of itself does not substitute for directly monitoring changes in the affected water bodies. The NE states urge EPA to restore funding for the LTM Survey network.</p> <p>2. We disagree in part with EPA's assertion that emissions from power plants and other large sources and pollution from motor vehicles and fuels "are best handled primarily at the federal level." We agree that there are environmental issues associated with these sources that lend themselves to federal action. We disagree to the extent that this paragraph may imply that these types of sources should only be addressed at the federal level. EPA can clarify this by modifying the final sentence of the last paragraph to indicate that these same source types may continue to be subject to further requirements from state, tribe, and local agencies to address remaining local and regional problems not fully addressed by federal programs.</p>	NE states	<p>1. We recognize the importance of environmental monitoring and are evaluating options for monitoring as well as other methods for determining program progress.</p> <p>2. We agree with the comment but inadvertently failed to modify the text as suggested.</p>
<b>Mercury (including Monitoring, EAF, Cement Kilns, MWIC, MSWC )</b>		
<p>The only state mercury priority relates to CAIR and CAMR, stating that OAR will "Work with states to finalize rulemakings to establish the allowance accounts, operate the trading programs, and certify source emissions monitors and also provide litigation support. As the NE states have concluded that CAMR itself is inadequate with regards to mercury emission reductions this is underwhelming.</p> <p>OAR also states that they will continue the expansion of the ambient</p>	NE States	<p>The OAR priority appropriately focuses on implementation of the CAMR program. Under CAMR, states have the flexibility of developing a program that limits mercury emissions to a greater extent than required under the CAMR cap and trade program as long as the cap established by CAMR will not be exceeded in the future. States may elect to be a part of the model trading program or regulate their sources independently. In either case, OAR will work with and support the states' efforts to restrict mercury emissions</p>

Comment (not verbatim)	Commenter	Response
<p>mercury monitoring network by funding a small number of sites and recruiting and assisting other site sponsors and continue to work with the NADP participants and others to develop a framework, technical procedures, and initial sites for a proposed new national monitoring program for speciated mercury, which will support calculation of mercury dry deposition. The need for expanded mercury monitoring, especially to assess local impacts of point sources and longer-term trends in mercury levels in the environment has been noted by the New England states for close to a decade. The region supports OAR efforts in this direction. Recommendations:</p> <p>a. Adopt EAF Rule with quantifiable measures of success regarding auto switch collection and/or other Hg source reduction programs. In the current draft rule, the only Hg reduction requirement is the implementation of pollution prevention efforts targeting removal of Hg switches from vehicles, which are the major source of Hg emissions from EAFs. The draft rule did not include any required, objective performance measures to evaluate the success of the switch collection efforts and there are no regulatory consequence should the switch collection program fail. The state's Quicksilver Caucus submitted comments to EPA requesting that these issues be addressed, and the NE states concur.</p> <p>b. Better address mercury emissions from cement kilns. Recent EPA regulations do not require existing plants to control mercury emissions. Only those built post December 2005 will need to comply. Emissions from the sector will be reduced only 23% -- from about 13,000 to 10,000 pounds per year. This is inadequate in light of reductions needed to achieve water quality criteria.</p> <p>c. Assess feasibility of further reducing emissions from other sources such as MWIs and MSWCs. All NE states and many others have required much lower Hg emission limits for medical waste incinerators (MWIs) and municipal solid waste combustors (MSWCs). EPA should note that facilities in New England are actually doing even better than required under these more stringent state regulations.</p>		<p>from power generation facilities.</p> <p>a. EPA acknowledges this comment of support for our efforts.</p> <p>b. We are currently reconsidering the mercury regulations for existing cement kilns, and have begun an extensive data collection effort to assist in this reconsideration.</p> <p>c. Section 129(a)(5) of the CAA requires, every 5 years, that EPA review and, if appropriate, revise the NSPS and emission guidelines established under section 129 of the CAA. In accordance with that requirement, in May 2006, EPA promulgated revised Hg emission limits for large MSWCs that are approximately 40% more stringent than the previously promulgated limits. In February 2007, EPA proposed revised Hg emission limits for MWIs that are 40% more stringent than the previously promulgated limits. EPA is currently</p>

Comment (not verbatim)	Commenter	Response
<p>d. Continue to assist international capacity building to reduce global sources. EPA should provide support to enable states to share their expertise and successes.</p> <p>e. Support state's non-CAMR efforts and adopt more appropriate MACT regulation. CAMR is still not adequate. EPA should acknowledge that states in New England (as well as a number of other states) do not support a cap-and-trade program for Hg and have instead set source-specific targets for Hg reductions. EPA should abandon their CAMR trading program and support states in their non-CAMR mercury reduction efforts. EPA should promulgate appropriate MACT standards for coal-fired power plants and Portland Cement plants consistent with the CAA and NE state measures.</p> <p>f. Expand monitoring capability more quickly; make new funding available to do so and provide the states with opportunities for input.</p>		<p>in the process of finalizing the MWI 5-year review. In conducting such reviews, EPA attempts to assess the performance of the installed emissions control equipment and developments in control technologies and, as appropriate, revise emission limits to reflect the levels of performance achieved by those emission controls. States continue to have the authority to establish requirements that are more stringent than those promulgated by EPA when they believe it appropriate to do so.</p> <p>d. The Office of International Activities just transferred \$20K (perhaps still in grants process) to ECOS to complete the development of the "State Resources Network" which will allow EPA, through ECOS, to draw upon expertise within State governments to assist in the implementation of the UNEP Global Mercury Partnerships. \$20K won't go very far but it's a good start, and if we and other EPA offices can continue to provide a little funding, we could field a few state technical experts every year to advance the Partnerships. ECOS has been very supportive of the Partnerships.</p> <p>e. EPA is supporting the efforts of those states that are adopting source-specific Hg limitations that do not exceed the cap levels. Over half of the states have indicated that they intend to adopt CAMR cap and trade restrictions (participate in the CAMR trading program).</p> <p>f. EPA is moving as quickly as possible to set up a Mercury monitoring network. Very little funding is available for this endeavor. State deposition and ambient monitoring staffs are being included in this effort.</p>
<p>Guidance page 25 – Federal Support for Air Toxics Programs: One of the priorities identified under this section is to “continue the expansion of the ambient mercury monitoring network by funding a small number of sites</p>	<p>NTAA</p>	<p>At the present time, after consultation with academic researchers and other users of the generally accepted monitoring method for speciated ambient mercury (Tekran), EPA believes that the very</p>

Comment (not verbatim)	Commenter	Response
<p>and recruiting and assisting other site sponsors” (see page 25). Prior to adoption of CAMR by EPA, NTEC expressed its deep concern about the limited number of mercury monitors on tribal lands. At that time, the EPA did not indicate if and how it would distribute the necessary resources to tribes to increase and enhance their mercury monitoring efforts, particularly as a means to better understand the impact of the CAMR, and to help identify potential hot spots as a result of the rule’s implementation. NTEC subsequently made a recommendation to provide such resources, but never heard back from the EPA. The NTAA would like to take this opportunity to reiterate NTEC’s position and recommend that OAR provide some assurances in its Guidance document that some of the prospective mercury monitors will be placed on tribal lands. NTAA also offers its assistance in facilitating a dialogue between OAR and tribes as to the best places to locate such monitors in Indian country.</p>		<p>limited resources available in FY2007 are best used mostly to ensure the continued operation of already experienced mercury monitoring sites which would likely face discontinuation without new EPA funding assistance. This will include standardizing procedures and data handling across these independently operated sites. At this time, no specific funding level or source has been identified to support mercury monitoring for 2008 and beyond. As EPA considers what to do, we will give full consideration to both state and tribal locations. Tribes should be aware that for the next few years EPA expects the total number of sites to be small, so many sites of concern to stakeholders will not be monitored. However, the monitoring that is done will allow EPA to improve the air quality modeling tools used to estimate mercury concentrations and depositions, which will be of value nationwide.</p>
<p>EPA’s strategy for FY08 should include working with states and tribes that received little or no mercury allocation under CAMR to ensure that there are individual plans for each state or tribe, or a general approach for all states and tribes, to guarantee that mercury allocation will be available to accommodate development of new, essential coal-fired power generation capacity.</p>	AK	<p>The CAMR rule provides for new source growth. New facilities must purchase the necessary allowances on the open market unless their state has provided for a new source set aside to accommodate such growth.</p>
<p><b>Grant Guidance, Grants, &amp; Funding</b></p>		
<p><u>Funding for NACAA and Other Co-Regulator Organizations</u></p> <p>1. In two places in Appendix A of the draft guidance (pages A-4 and A-15), EPA states that the agency has received “several” or “numerous” inquiries from states and Members of Congress about how EPA funds co-regulator organizations with STAG funds. The draft then goes on to say that in order to “assure that State preferences are being followed OARM has determined that each Region must now ensure that the head of any State environmental agency or department that wishes to provide a portion of its STAG support to NACAA provide their prior concurrence to do so” (page A-15). We believe the unfortunate juxtaposition of those two sentences implies that there has been a problem with the way the states and local agencies have provided their concurrence with NACAA’s grant in the past, and that a change in procedures is now necessary to ameliorate these problems.</p>	NACAA	<p>1. The language in the draft guidance was not intended to imply that the process of funding a co-regulator entity formed by its member state/local agencies was problematic only that it needed to be made more transparent. OAR has modified its explanation in the final version of the guidance.</p> <p>Nonetheless, for the past several years the Agency has received inquiries from affected agencies and others about how co-regulator organizations are funded. Since STAG funds to states/locals are intended solely for their benefit, effective 12/1/06, the Deputy Administrator has directed that EPA must assure that the head of the affected state agency or department be involved in, and provide</p>

Comment (not verbatim)	Commenter	Response
<p>All inquiries about EPA’s funding of co-regulator organizations are not complaints or criticisms, as the draft implies. If there have been several inquiries of a critical nature, NACAA is unaware of them and would very much like to know about them. While there may be an instance or two in the past of a complaint about how co-regulator organizations are funded, these should not be lumped together with benign inquiries about the mechanism for funding NACAA. These inquiries do not necessarily mean the questioners are uncomfortable with the process that has been in place. To follow the statement that there have been “numerous” inquiries with the point that a change in the approval policy is needed implies that one sentence is related to the other and that the change is in response to these inquiries.</p> <p>Further, the complaint of which NACAA is aware was made several years ago and should not necessarily be considered timely today or included in a guidance document designed to address FY08. If there were a current problem that necessitated the measures outlined in the draft guidance, certainly ECOS would be aware of it. Yet, ECOS did not request that this change be made on behalf of its members, the association was not consulted about it, nor has it expressed support for or agreement with such a requirement.</p> <p>EPA’s suggestion that the head of the state environmental agency or department must grant approval for funding co-regulator organizations with grant funds is presumptuous on EPA’s part. Each state or local entity should determine to whom to delegate the authority to approve such expenditures and EPA should not dictate those procedures to these departments and agencies.</p> <p>NACAA strongly urges that EPA remove the passages in the draft guidance, particularly those on pages A-4 and A-15 that make reference to past inquiries about how EPA funds co-regulator organizations using STAG funds. Those negative statements are misleading.</p> <p>NACAA recommends that EPA not dictate who within the environmental agencies or departments must approve funding for co-regulator</p>		<p>prior concurrence, before the Agency awards funds from State continuing environmental program (CEP) grant allotments under 40 C.F.R. Part 35 Subpart A on a discretionary basis to co-regulator organizations.</p> <p>In deference to state and local concerns, OAR has not prescribed an approach for obtaining this assurance. However, OAR expects that the affected state or local air pollution control agency will provide documentation of this assurance as part of the negotiation and approval of its annual or multi-year grant agreement.</p>



Comment (not verbatim)	Commenter	Response
<p>organizations. Decisions on who will approve this funding should be entirely at the discretion of those entities.</p> <p>2. With respect to the co-regulator exception to the competition policy, EPA states in the draft guidance that it is no longer appropriate (page A-4). We disagree with this view and believe that co-regulator organizations, such as NACAA, should continue to be treated under an exception to competition requirements. While we have outlined our reasons in comments to EPA in the past, we would like to restate that it would be terribly inefficient for the Agency and our organization to go through a competitive process when none is called for. NACAA and other similar organizations are each uniquely qualified to perform their missions and were established by their members for this express purpose. There are simply no other organizations that directly represent their members and are able to carry out the national and regional environmental and public health goals of states, localities and the Agency as embodied in the assistance agreements.</p> <p><u>Reductions in Pollutant-Specific Activities</u></p> <p>3. The proposed budget reductions, even if distributed proportionally among programs and agencies, would be highly problematic. The situation is further compounded, however, by EPA's proposed distribution of funds among program areas. As NACAA commented last year, when EPA recommended a similar allocation of state and local air grants, the proposed guidance targets reductions based on the incorrect premise that state and local agencies have completed work related to certain pollutants and, therefore, have unused resources to be redirected. This assumption is incorrect.</p> <p>EPA is proposing to focus reductions in the §105 allocations on spending for activities related to four specific pollutants: sulfur dioxide, nitrogen dioxide, carbon monoxide and lead. While the percentages on which the reductions were based may reflect spending in the past, they are no longer current. In fact, to the extent that problems related to the four pollutants were ameliorated, many state and local air agencies shifted the funding related to those activities into higher-priority work. This was done with the knowledge and concurrence of EPA, including the Regions. Further, while</p>		<p>2. EPA has determined that being a co-regulator entity does not automatically translate into an exception from competition for receiving assistance from the Agency. However, NACAA's explanation of their role and responsibilities could serve as the basis for an exception from competition under the 'public interest' or 'one responsible source' exceptions.</p> <p>3. The categorization of resource by pollutant reflects the Agency's strategic plan structure and is the basis for our request for resources to Congress. Last fall EPA asked its Regions and state and local recipients to comment on the distribution of funds according to this categorization and to realign resources as necessary. OAR used the responses received as the basis to realign funds across the pollutant-specific categories in the final FY 2007 allotment and as well as the basis for the proposed distribution of funds for FY 2008.</p>

Comment (not verbatim)	Commenter	Response
<p>air quality related to the four pollutants may have improved in some areas, at least nitrogen dioxide and sulfur dioxide are precursors to fine particulate matter and it is important for many areas to continue addressing them.</p> <p>Rather than reflecting success related to these pollutants, the proposed reductions will in fact decrease funding to current high-priority air quality concerns. Instead of improving grant accountability, allocating the reduction according to the four pollutants would actually undermine the ability of state and local agencies to meet the grant commitments made to EPA Regions. With respect to grant accountability, it is important to note that the Regions negotiate workplans with state and local agencies and, through these workplans, maintain accountability for the activities supported with grant funds.</p> <p>4. EPA and NACAA have been engaged in an extensive process to update the formula by which §105 grants have been allocated to the Regions. This process is intended to give thoughtful consideration to the CAA criteria and develop a transition plan that will avoid major disruptions in state and local agency budgets. In addition, NACAA has long recommended that any reallocation should be applied when there is a significant <u>increase</u> in the grant in such a way so that no agency experiences an actual reduction in funding due to a change in the formula. To implement significant reductions based on outdated allocations to four pollutants would result in a change in the entire formula without regard to this thoughtful process, which is designed to better align priorities with funding. If the devastating grant cuts are ultimately approved by Congress, NACAA strongly urges EPA to allocate the reduction in the regional allocations of §105 funds by equal percentages, rather than targeting four specific pollutants. This would help ensure that the funding distribution does not unfairly exacerbate the already difficult conditions with which state and local agencies will be faced.</p> <p><u>National Set-Asides Held “Off the Top”</u></p> <p>Before allocating grants to the EPA regions for distribution to state and local agencies, a portion of the §103 and 105 funds are set aside at the national level to support a range of activities. We agree that this is an</p>		<p>4. EPA has an effort underway to re-examine and revise as necessary the distribution of state/local air grants. OAR developed principles to guide its re-analysis and formed a joint workgroup with NACAA to discuss allocation principles and considerations. The workgroup consists of EPA headquarters as well as and EPA regional members and state and local members representing all areas of the country. NACAA has already indicated that it does not want to get involved in the development of the allocation but will comment on what EPA proposes. EPA expects to produce a recommended allocation approach by the fall of the 2007 calendar year and will work with NACAA through an implementation subgroup to assure its effective implementation.</p>

Comment (not verbatim)	Commenter	Response
<p>efficient way to fund agreed-upon priorities. Since Congress provides §103 and 105 grants to state and local air agencies, these set-asides should only exist if state and local agencies concur.</p> <p>5. EPA's draft allocation holds \$2.3 million off-the-top for the NO<sub>x</sub>/CAIR Budget system. Originally, states participating in the NO<sub>x</sub> State SIP call agreed to off-the-top funding for this program because it was a state initiative used as a SIP strategy that was more efficiently funded that way. Now that EPA has adopted the CAIR program, we believe EPA should take responsibility for administering the program in the same way that the agency administers the Acid Rain program. The cost for administering CAIR should be absorbed by EPA's budget, not from the §105 grant.</p>		<p>5. The funding referred to is required for development and operation of the seasonal NO<sub>x</sub> reduction program under CAIR. This program is an advancement of the currently operating NO<sub>x</sub> Budget Program (NBP), a regional program that grew out of the recognition that (1) transported ozone pollution had to be controlled in order for many areas in the eastern part of the country to achieve the ozone standard and (2) reducing NO<sub>x</sub> emissions from power generation sources with a centralized interstate NO<sub>x</sub> allowance trading system is the most cost-effective way to do this. All 20 states and DC affected by the NBP elected to participate in the EPA-administered NO<sub>x</sub> trading program and have contributed to its operation through Sec 105 grants.</p> <p>In order to further address the need to reduce NO<sub>x</sub> emissions to meet the recently promulgated "8 hour" standard for ozone, EPA promulgated the seasonal NO<sub>x</sub> reduction program portion of CAIR. All of the affected CAIR states have elected to participate in this program rather than create an alternative program. By participating in the CAIR seasonal trading program, the NBP states can satisfy their ongoing NO<sub>x</sub> SIP call obligations as well as the CAIR seasonal requirements (if affected under both programs). Thus, it is appropriate for each participating state to contribute a proportional share of the operating expenses of the program. Further, OAR is making a substantial contribution to the operation of this program by providing all the personnel needed to develop and operate the program. The cost of the personnel exceeds the collective contribution from all the states. Additionally, EPA is fully funding the annual portion of the CAIR program which is targeted to address the attainment of the fine particle PM standard, thus relieving the states of these substantial development and operational expenses which otherwise would accrue to them.</p>

Comment (not verbatim)	Commenter	Response
<p>6. Regarding air toxics monitoring, NACAA recommends that the entire \$10 million be shifted to the §105 account. The NATTS funds should be shifted proportionally to how they were apportioned in the past so agencies can continue monitoring. The non-NATTS funds should be distributed to the regions according to the same proportion as the balance of the §105 grants.</p> <p>7. As for the PM<sub>2.5</sub> associated program costs (e.g., lab costs and quality assurance/quality control), we believe the total set-aside should be reduced to reflect the reduced size of the network. Further, we agreed to support this set-aside when there was sufficient funding. Now that reductions have been proposed, we believe EPA should shoulder these costs.</p> <p>8. NACAA has urged EPA to fund training from its own budget, and we have agreed to match EPA's expenditures for training from the §105 grant during the transition to full EPA funding. Elimination of funding for training will result in a loss of training infrastructure that will be very difficult to later replace. Further, elimination of training is not a wise funding choice as it will reduce the effectiveness of federal, state and local programs in the long run. NACAA agrees with EPA's proposal to hold \$1,995,000 off the top for training and urges EPA to at least match the §105 grant funding for training from EPA's own budget.</p>		<p>6. The final FY2008 guidance states that for FY2008 both NATTS and non-NATTS (i.e., community-scale) funds will be awarded under §103 authority. This is consistent with the provisions of §103, past practice, and EPA's budget request and supporting documentation. EPA believes this is the better approach. The use of §103 authority avoids the issues of non-federal matching funds and maintenance of effort. Also, the recent solicitation of proposals for community-scale monitoring projects specifically stated that awards would be made under §103.</p> <p>7. Lab costs depend on the laboratory services requested by the PM<sub>2.5</sub> monitoring agencies. Within each Region, any reductions from the amounts identified in the final guidance for laboratory services will be made available for direct awards to recipients within that Region. EPA disagrees with the recommendation regarding quality assurance/quality control costs. The cost of fully independent accuracy audits should be considered part of the normal cost of doing monitoring. 40 CFR 58 Appendix A section 2.4 requires each monitoring organization to assure that such audits are performed. PM<sub>2.5</sub> monitoring agencies may choose to arrange to obtain these audits on their own, or to have EPA contractors perform the audits with a portion of the STAG funding.</p> <p>8. OAQPS considered this long standing NACAA request in the past and has never had available funds to implement this request. We continue to support State and local training activities and work with the Joint Training Committee in the development and delivery of requested training. With respect to OAQPS continuing support for FY2008 –that decision will be based upon final Congressional appropriation of EPA's budget.</p>
<p><u>Promoting Competition</u></p> <p>While the draft guidance states that it is EPA's policy to promote competition in awarding grants (page A-7), the §105 and 103 funds are</p>	NACAA	<p>CAA §105(b)(1) and 40 CFR 35.143(c) enable EPA to award funds on a competitive basis. EPA is mindful of the funding pressures and</p>

Comment (not verbatim)	Commenter	Response
<p>provided by Congress for state and local agencies. Therefore, if a program is to be competed, it should only be with the concurrence of state and local agencies.</p>		<p>constraints facing state and local agencies. Funds are awarded on a competitive basis only when it is clear that this approach is in the best interest of the public.</p>
<p><u>Competition Policy</u></p> <p>1. EPA has indicated on several occasions over the past year that it intends to modify its use of its <i>Policy for Competition of Assistance Agreements (EPA Order 5700.5A1)</i>, by eliminating the policy exception for co-regulators and co-implementors. Section 12. of the policy states, “<i>Program Offices may award assistance agreements that are subject to this Order non-competitively under the following limited circumstances: ... (4) Co-regulators and Co-implementors: When the award is to a national or regional organization that represents the interests of co-regulators or co-implementors (State, Tribal or Local governments) in the execution of national or regional environmental program.</i>” Page A-4 of the draft guidance for FFY 2008 states that EPA has received numerous inquiries from states and members of Congress about how multi-jurisdictional organizations are being funded and whether the co-regulator status is an appropriate exception from the competition policy. The guidance further states that other exceptions under the policy including the public interest exception remain available to co-regulator organizations.</p> <p>EPA staff from various regional and national offices have made it clear that the majority of the concern about MJO funding is focused on the operations and projects of a select few MJOs. Those projects and activities have been specifically described on multiple occasions by EPA staff and the concerns that have been expressed could easily be addressed through tighter management by EPA of the award and use of grant funds to these specific MJOs. Further, EPA staff have stated to at least one MJO that approval of other exceptions such as the public interest option will be the exception and not the rule. It is clear that the writers of the competition policy recognized the uniqueness and value of MJOs that represent environmental agencies. It is clear in the case of Metro 4 and SESARM that the member agencies have authorized the redirection of portions of their STAG funds to support office operations and various technical projects. It is clear that the co-regulator/co-implementor category is the most appropriate exception applicable to</p>	<p>Metro 4 and SESARM</p>	<p>1. As noted, it is EPA policy that multi-jurisdictional, co-implementor organizations may still qualify and receive assistance under the STAG appropriation without having to compete for these funds. However, the basis must be for reasons other than simply their organizational status (e.g., one responsible source, in the public interest).</p>

Comment (not verbatim)	Commenter	Response
<p>regional organizations like Metro 4 and SESARM. The use of STAG funds for MJO support should be allowed to continue without the necessity of competition in order to sustain the cost-effective work of the MJOs. If EPA has problems with certain MJOs or certain types of projects that MJOs have conducted in the past, EPA should place conditions on the usage of STAG funds rather than penalize all MJOs for the possible errors of a few.</p> <p>2. Page A-4 of the guidance also indicates that in order to assure State preferences are being followed in the funding of MJOs, EPA will now require the head of the affected State environmental agency or department involved in the co-regulator funding process to provide concurrence before any of the State's STAG funds will be awarded to a co-regulator organization. We recognize and appreciate the chain-of-command in our agencies but believe that agencies should be allowed to designate who, including air agency directors, will provide such concurrence.</p>		<p>2. In deference to state and local concerns, OAR has not prescribed an approach for obtaining state official assurance. However, OAR expects that the affected state or local air pollution control agency will provide documentation of how the state official has been involved and who is charged with providing the assurance for funding MJOs.</p>
<p>The proposed decrease in §105 continuing program grants may create substantial impacts on local and state agencies. Metro 4 and SESARM agencies range in size from approximately a half dozen to more than two hundred staff. NACAA has documented the financial challenges to sustaining air pollution control programs in an era of flat and diminishing grants and has expressed this concern to EPA for several years, as have Metro 4 and SESARM. Some agencies rely substantially on federal grants since they have small, or in at least one case nonexistent, general fund support. For our smallest local agency, the loss of existing federal funds could force loss of a staff person (a 14% staff resource reduction) and threaten the agency's existence. Larger agencies stand to lose multiple staff though their staff reduction percentages may be lower. When this happens, program support suffers and there are reductions in monitoring, inspections, enforcement, and timely permitting. Less information is available to make program planning decisions, lower levels of customer service are provided to permittees, fewer compliance assessments are conducted, and lower compliance rates are encountered. Management of the overall federal budget is undoubtedly a complex task but EPA should identify a way to restore these critical funds to meet the basic needs of our agencies as they protect public health and the environment.</p>	<p>Metro 4 and SESARM</p>	<p>In absorbing Agency reductions in STAG from FY 2006 to FY 2007, OAR took concerted steps to minimize the direct impacts on state and local agencies. In FY 2008, the Agency and its state and local partners must absorb additional funding reductions impacting our national programs. OAR is looking to work with its partners to continue to prioritize, realign, and balance the work. For example, OAR is proposing to redirect \$1.5M from RPOs to lessen the impacts on states/locals and will work with agencies to refine the national ambient air monitoring network.</p>

Comment (not verbatim)	Commenter	Response
<p><u>National Set-Asides</u></p> <p>EPA has historically held portions of §103 and 105 funds at the national level to support various activities that are for the common benefit of the local and state agencies across the country. The Southeastern agencies continue to support this approach. However, there are some concerns.</p> <p>1. NO<sub>x</sub> and CAIR Trading System - For several years, certain state agencies have been required to approve off-the-top funding of the NO<sub>x</sub> and CAIR trading system. As this service has developed and matured, the time has come to merge it with the acid rain trading program which is supported by EPA's budget rather than local and state agency funds. EPA should return to the agencies the §105 funding that has supported the NO<sub>x</sub>/CAIR trading programs in recent years.</p> <p>2. Training - While EPA has continued to maintain a reasonably aggressive approach to dispensing information about new federal programs and requirements, the same cannot be said about support of traditional staff training. For years EPA performed a critical role by developing, maintaining, and updating courses. It was also the sole repository for master copies of course materials, it produced certificates, and it maintained a training calendar and a data system for student attendance. EPA staff have been reassigned to various teams throughout the organization and are doing a commendable job of trying to assist the agencies. However, funding and general support for their efforts is now lacking and needs to be revitalized. Thousands of local, state, and federal staff have relied on the Air Pollution Training Institute for years to provide essential training support. EPA should, at a minimum, match the commitment of the local and state agencies by designating \$2 million to support national training efforts.</p> <p><u>Regional Allocations and the Funding Formula</u></p> <p>The allocation formula for distribution of national air pollution control funds to the regions continues to be substantially out-of-date. NACAA and Metro 4/SESARM have commented on this concern for several years. Formal adjustments have not been made in the funding formula for many</p>	<p>Metro 4 and SESARM</p>	<p>1. It is the responsibility of the affected state/local jurisdictions to plan for and achieve the emission reductions necessary to meet and maintain the NAAQS. The expanded NO<sub>x</sub>/CAIR Trading System, absent suitable state/local alternatives, is the most efficient and effective way to achieve the bulk of the necessary reductions. While the affected source populations are similar, the acid rain trading program was begun by EPA for different purposes than addressing the NAAQS.</p> <p>2. OAQPS continues to support state and local training activities and work with the Joint Training Committee in the development and delivery of requested training. With respect to OAQPS continuing support for FY2008 – that decision will be based upon final Congressional appropriation of EPA's budget.</p> <p>EPA has an effort underway to re-examine, and revise as necessary, the basis for the distribution of state/local air grants at whatever level available. OAR has developed principles to guide its re-analysis. While OAR has formed a joint workgroup with NACAA</p>

Comment (not verbatim)	Commenter	Response
<p>years except that it appears Region 4's share of the national allocation as proposed in the last two budgets decreased 3% from 2004 levels. The Southeast has grown rapidly over the past two decades from a population, vehicle, stationary and area source, and emissions standpoint. The demand on our agencies continues to grow faster than that of many other regions of the country. EPA continues to allocate funding to the regions using PM<sub>10</sub> factors without consideration of PM<sub>2.5</sub> levels which penalizes most of the eastern U.S. This is clearly inconsistent with the demands on our agencies and requires attention. We are aware that EPA convened a work group a year ago to begin efforts to revise the allocation formula. We encourage expeditious completion of the analysis of the allocation process so that the new formula will be available for use when the FFY 2008 funds are allocated. We respectfully disagree with the position of some entities who suggest that the revisions to the allocation formula should only be applied to new funding. We are unaware of any near-term scenario where new funds will truly be available. We appreciate the desire not to harm any agency in this process, but the continued endorsement of an out-of-date formula perpetuates the substantial and inappropriate impact on funding to the Southeastern agencies and must be addressed.</p> <p>Softening the impact on agencies that might lose funding through a revised allocation formula can be done by implementing the revisions in phases, such as applying a new PM<sub>2.5</sub> factor first, or establishing a maximum percentage change in allocations to the regions in any given year. The Southeast suggests an initial supplemental increase in funding to the Region 4 agencies to begin to address the inequity along with further adjustments that would be phased in over a five year period to address fully the needed reallocation of funds.</p>		<p>to discuss allocation principles and considerations, input from other state/local organizations and individual agencies is welcomed. EPA must, at a minimum, consider population, the extent and severity of the air pollution problem, and the financial need of the respective agencies. An implementation subgroup will also examine how to best implement the recommended allocation scheme.</p>
<p>The allocation formula for distribution of national air pollution control funds to the regions is substantially out of date. This is obviously a serious issue for all agencies, especially those in the Southeast. EPA should expedite its efforts to revise the allocation formula. Softening the impact on agencies that might lose funding can be done by implementing the revised allocation formula in phases, or capping the change in any given year. Again, we encourage allocations consistent with the realities that are creating workload and other resource demands on our agencies.</p>	AL	<p>See response above.</p>



Comment (not verbatim)	Commenter	Response
<p>TCEQ is particularly concerned about the potential for reduced or redirected federal funding assistance with respect to the support for air monitoring networks. It has been noted that current funding under §103 of the CAA could be reduced. This could force states to use §105 funds to support the PM2.5 monitoring network. This agency would then have to provide additional matching funds to maintain the existing monitoring network. Even with the divestment of low-value monitoring for several NAAQS pollutants, divestment opportunities will be limited, since most of Texas' NAAQS monitoring is in non-attainment or near non-attainment areas, is required by other federal grants, or is necessary to measure pollutant transport. Costs for new monitors are likely to increase and Texas does not have sufficient spare monitors to replace ones that malfunction.</p>	TX	<p>EPA recognizes that it may be necessary for agencies to apply non-federal funds to essential monitoring, and/or to redirect federal funds now used for activities other than monitoring.</p>
<p>1. We note that, while EPA is supportive of funding for an integrated ambient monitoring strategy, cuts to and matching requirements for STAG monies are posing significant problems for states.</p> <p>2. The procedures established for sign-off on all grant monies passed through to co-regulators has presented significant additional work burden on states, and has resulted in programmatic delays. Recommend EPA revisit this procedure with the states and amend it to more appropriately channel funding streams to co-regulators while ensuring appropriate oversight.</p> <p>3. Work with the states to identify ways to streamline grant processes and grant requirements to make them more efficient. If anything, this has become even more complex and burdensome in the last year, with no benefit to the environment.</p> <p>4. In addition to the thematic priority comments above, we must raise the critically important issue of reduced federal funding for state environmental programs. Nationally, EPA's STAG funds provide about 30% of state</p>	NE states	<p>1. OAR will work with states/locals in realigning resources and priorities pursuant to the national air monitoring strategy, annual program guidance and the air grant allocation.</p> <p>2. In deference to state and local concerns, OAR has not prescribed an approach for obtaining state official assurance. However, OAR expects that the affected state or local air pollution control agency will provide documentation of how the state official has been involved and who is charged with providing the assurance for funding MJOs.</p> <p>3. OAR is an active participant in the Agency's Joint Performance and Partnership Steering Committee and related workgroups with State environmental agencies. Among the objectives of the group has been to examine ways to make the grant process more recipient-friendly while still being accountable. This has resulted in simplified cost review procedures for states/locals, the elimination of unnecessary reporting requirements and a re-examination of the timeliness of awards. The Agency continues to work with states to explore how performance partnership grants can be better utilized.</p> <p>4. In addition to retaining flexibility under PPGs, the Agency in its budget requests has continued to make a strong case for adequate funding to states based upon not only competing environmental</p>

Comment (not verbatim)	Commenter	Response
<p>environmental agency budgets. For each of the last three years, EPA has cut STAG funds, and this year the President's budget proposes the largest STAG cuts in history. These cuts threaten to undermine the New England states' ability to provide the environmental protection mandated by Congress and these cuts severely limit the states' ability to make progress in our shared priority areas. In addition to concern about reduced federal funding, the New England states continue to need maximum flexibility from EPA in how the states use federal funding including funding included in our PPGs.</p> <p>5. Furthermore, the New England states are very concerned about your decision to reduce significant FY07 funds from the State and Local Air Quality Management and the Non-Point Source §319 categorical grants, and move most of these funds to the Underground Storage Tank categorical grant. We do not agree with this decision, and we feel strongly that the states must have an opportunity for input before such decisions are made using Administrator's discretion. As a result of this funding decision, there will be significant impacts to air and water program implementation in New England, including our ability to conduct required air monitoring and to develop air State Implementation Plans.</p>		<p>needs but larger more demanding concerns of national security.</p> <p>5. The Agency had to make some tough decisions between critical competing environmental needs and chose to compromise by providing half of the difference between the President's FY 2007 request level and the FY 2006 enacted level for continuing air program STAG resources.</p>
<b>NO<sub>x</sub> Trading Programs</b>		
<p>EPA's NO<sub>x</sub> Budget Program report no longer appears to be in collaboration with the states but has become an EPA-only document. Recommend that EPA reinstate that partnership and include states and the OTC when developing the report, finalizing it, and releasing it to the public.</p>	NE states	<p>This is a pertinent observation. As the NO<sub>x</sub> Budget Program expanded from the 8 OTC states and the District of Columbia to include 12 additional states under the NO<sub>x</sub> SIP call, a collaboratively produced joint OTC-EPA annual publication no longer seemed appropriate. EPA will include states, the OTC, and perhaps other stakeholders when planning, developing, and finalizing the 2008 report.</p>
<b>State Grant Template Measures</b>		
<p>1. OAQPS N001 &amp; N002: These should be limited to non attainment areas. (MA)</p>	MA	<p>1. The principal focus of the national performance measures for ozone and PM<sub>2.5</sub> will be to assess progress in attaining the NAAQS and the algorithm used to calculate progress will not calculate improvements below the NAAQS. We will continue to monitor maintenance areas to ensure continued attainment of the</p>

Comment (not verbatim)	Commenter	Response
<p>2. OAQPS T001 &amp; T002: These should be limited to HAPS at sources for which states/EPA have federally mandated programs designed to bring about emission reductions: emissions from sources from which there are MACT standards. Otherwise we are being evaluated on the basis of things over which we are exerting no influence.</p>		<p>NAAQS.</p> <p>2. These 2 national measures gauge the progress in the overall reduction of hazardous air pollutant emissions. These include not only the emission reductions from the MACT program but Residual Risk as well as area source and mobile source reductions.</p>
<p>1. OAQPS T001 &amp; T002: Why is the EPA using the base year of 1993 when comparing the percentage reduction in cancer and non-cancer causing toxic pollutant emissions? The first mandatory reporting year of criteria pollutants was 1999, so using a 1993 base year is questionable due to a lack of data from that time period.</p> <p>2. The CERR or the AERR require reporting of criteria pollutants and do not require the reporting of Air Toxics. The reporting of cancer causing toxics creates an additional reporting requirement for states. Moreover, the science of estimating pollutants is constantly evolving and becoming more robust, perhaps leading to artificial NEI increases based on using new or better tools to calculate emissions than we had in years past. For example, a pollutant for which no emission information was available a few years ago now exists and can be added to the NEI. In reality, this pollutant always existed but did not appear on the previous NEI, because states were not sure how to calculate it. This new emission value could result in total VOC appearing to increase in the NEI, due to the new methods for calculation, when the true levels of VOC have actually decreased. Changes like this should be factored into the performance measures or we are going to be comparing apples and pineapples.</p>	OR	<p>1. There is no mandatory reporting for air toxic emissions for any inventory year – all air toxic emissions data is reported on a voluntary basis. We selected 1990/1993 as a baseline as this would represent emissions levels before any of the CAA reduction programs occurred. Over time EPA has continued to build and improve this inventory and has confidence in these estimates at a national level to make comparisons with current inventories.</p> <p>2. We agree. In the new Emission Inventory System (EIS) being developed, we are including a function that will allow us to quickly and efficiently adjust historical emissions based on new information. We plan to use this function for analyses including assessing performance measure progress to better compare apples to apples (i.e., estimate real rather than procedural emission changes.)</p>
<b>Mobile Sources</b>		
<p><u>1. Diesel:</u> With regard to EPA actions in the area of mobile sources and fuels, the NE states recommend that EPA continue resource support for the Northeast Diesel Collaborative operations. The NE states also recommend that EPA also request the full funding authorized under the Diesel Emission</p>	NE states	<p>1. EPA is continuing its existing efforts to employ a variety of strategies to monitor and reduce emissions from the in-use HD fleet. Building on the successes of EPA's regulatory and voluntary efforts to reduce emissions from diesel engines, EPA has created</p>

Comment (not verbatim)	Commenter	Response
<p>Reduction Act in its budget and distribute voluntary diesel retrofit funds equitably across the regional diesel collaboratives.</p>		<p>the National Clean Diesel Campaign (NCDC).</p> <p>In conjunction with state and local governments, public interest groups, and industry partners, EPA has established a goal of reducing emissions from the existing fleet of over 11 million diesel engines by 2014. EPA determined the general sectors that provide the best opportunity to obtain significant reductions are ports, construction, freight, and agriculture. The Agency's SmartWay Transport Partnership program will promote emission reduction strategies in the freight sector. The Agency also identified school buses as an area where diesel control can greatly help a susceptible population. Each program provides technical and financial assistance to stakeholders interested in reducing their fleets' emissions effectively and efficiently.</p> <p>Over the last five years, EPA has brought forward a number of very successful voluntary programs designed to reduce emissions from the diesel fleet. Retrofit programs are some of the most cost-effective measures for PM control, and provide a health benefit to cost ratio of up to 13 to 1. Stakeholder support for these voluntary programs has been overwhelming, evidenced by our grant solicitations being met by demand ten times greater than available resources. Winning grant programs have leveraged an average of two to four times additional resources. In support of these programs, EPA has developed a number of tools stakeholders are using to support their projects and partnerships. These tools range from technology verification programs to new emissions model development to SIP guidance to facilitating outreach.</p> <p>Given the clear signal about providing more opportunities for growing these voluntary programs, EPA is working to expand them and much of this growth will come from focused partnerships and collaborative efforts at the state and local level. Thus, the NCDC will work to further energize interested stakeholders through regional collaborative initiatives, such as the Northeast Diesel Collaborative, West Coast Diesel Collaborative, the Midwest Clean Diesel Initiative and the Mid-Atlantic Diesel Collaborative. For</p>

Comment (not verbatim)	Commenter	Response
<p><u>2. CMAQ:</u> The NE states recommend EPA work more closely with the Federal Highway Administration on the CMAQ guidance in two areas: 1) helping state and local decision-makers properly calculate the emissions benefits of all CMAQ-eligible projects; and 2) providing clear data on the cost-effectiveness of diesel retrofits and other CMAQ projects that properly weight PM and NO<sub>x</sub>-based on relative health benefits.</p>		<p>information on how to become a member of the Northeast Diesel Collaborative please contact Lucy Edmondson, EPA Region 1, at <a href="mailto:Edmondson.Lucy@epa.gov">Edmondson.Lucy@epa.gov</a></p> <p>In addition to the reports listed above EPA is planning to release a new information document summarizing and comparing the cost-effectiveness of heavy-duty diesel retrofits and other projects and programs that are eligible under the CMAQ program. This information is being provided in fulfillment of a requirement in Section 1808 of SAFETEA-LU. As with this document, EPA has worked extensively with FHWA on a number of technical and policy documents designed to assist state and local agencies with estimating the emission reduction potential and project selection. This information can be found at: <a href="http://www.epa.gov/otaq/stateresources/policy/pag_transp.htm#tcm">http://www.epa.gov/otaq/stateresources/policy/pag_transp.htm#tcm</a> and <a href="http://www.epa.gov/otaq/stateresources/tools.htm">http://www.epa.gov/otaq/stateresources/tools.htm</a></p> <p>2. EPA, in consultation with DOT and stakeholders, has developed several guidance documents to help MPOs and others take emission reduction credit for CMAQ (or other) funded activities that retrofit diesel engine trucks, nonroad equipment (such as construction and locomotives), school buses, reduce idling from diesel trucks, and support strategies to reduce drive-alone commutes. In addition, EPA has released quantification tools for estimating the environmental impacts and cost effectiveness of emission reduction technologies to vehicles and equipment. These tools and guidance can be found on our website at <a href="http://www.epa.gov/cleandiesel">http://www.epa.gov/cleandiesel</a>.</p> <p>More specifically, to help stakeholders identify cost-effective technologies, EPA has developed a list of verified retrofit technologies that contains information on expected emission reduction benefits. This list provides information on numerous innovative emission control technologies that EPA has approved for receiving emission reduction credit. Each EPA verified technology has undergone extensive testing and analysis. The California Air Resources Board (CARB) has a verification process similar to EPA's verification process. EPA has signed a Memorandum of</p>

Comment (not verbatim)	Commenter	Response
<p>3. <u>CA LEV</u>: The NE states recommend that EPA not oppose state efforts to adopt CA LEV.</p>		<p>Agreement with CARB to recognize CARB's list of verified emission control options.</p> <p>Also, to help stakeholders compare cost-effective strategies, EPA has published a technical report "<u>Diesel Retrofit Technology: An Analysis of the Cost Effectiveness of Reducing Particulate Matter Emissions from Heavy-Duty Diesel Engines Through Retrofits.</u>" In addition, EPA is drafting a similar report that applies to the nonroad sector. These two reports will be available at: <a href="http://www.epa.gov/cleandiesel/publications.htm">http://www.epa.gov/cleandiesel/publications.htm</a>. These reports contain estimates of the cost per ton of pollutant reduced, for projects and programs that are potentially eligible for CMAQ funding. The estimates are derived from the best data available to EPA at the time this document was issued.</p> <p>It is not always constructive to do a direct comparison between the cost-effectiveness of reducing different pollutants. For instance, PM and NOx cost-effectiveness are not comparable because the health effects, emissions inventories and control sources for the two pollutants are very different. Generally, emissions inventories show much greater amounts of NOx compared to PM.</p> <p>Correspondingly, greater reductions of NOx emissions are required to reduce ambient ozone levels than reductions of PM emissions required to reduce ambient PM levels. While reducing a ton of PM often costs more than to reduce a ton of NOx, the health effects of PM are greater per ton than for NOx. In addition to assessing the cost-effectiveness of reducing a pollutant, careful consideration should be given to the overall effectiveness of the reductions. Due to the greater health hazard posed by PM, a little PM reduction may be more effective than larger NOx reductions from a public health perspective.</p> <p>3. EPA continues to believe that the Tier 2 program provides significant and comparable emissions benefits to the California program. The Agency will work with the states in determining appropriate emissions credits for Section 177 adoptions and any</p>

Comment (not verbatim)	Commenter	Response
<p><u>4. Heavy-duty I/M:</u> The NE states recommend that EPA work with the states to develop guidance for implementing heavy-duty I/M programs that includes a range of SIP-approvable emissions credits, based on the stringency of the program. In conjunction with this effort, EPA should incorporate an emissions benefit for heavy-duty I/M programs into the next iteration of the MOBILE model.</p> <p><u>5. VIN &amp; ESN Numbers:</u> The NE states recommend that EPA work with the engine manufacturers and truck chassis manufacturers to develop a system for cross-matching vehicle identification numbers (VIN) with engine serial numbers (ESN) for affected vehicles. This would enable states to use their vehicle registration databases to identify owners of affected vehicles and encourage them, perhaps through an incentives program, to have their engine chips reflashed.</p> <p><u>6. Regional Fuel Strategies:</u> EPA should continue to support state efforts to adopt low sulfur heating oil standards and regional reformulated gasoline.</p>		<p>other motor vehicle measures states are analyzing as part of their overall attainment plans.</p> <p>4. Despite having established a workgroup under the Federal Advisory Committee Act (FACA) to review the issue of heavy-duty diesel exhaust-based I/M testing, to date no reliable short test that can be used for the purpose of conducting exhaust-based, heavy-duty diesel I/M testing. Therefore, it is still too early to discuss what level of credit (if any) should be afforded heavy-duty diesel I/M in the MOVES model.</p> <p>5. EPA continues to support more ECM reflashes and we have met with engine manufacturers to encourage them to voluntarily complete more reflashes. EPA also encourages early NOx reflash as one of many diesel emissions reduction strategies under the NCDC. EPA's SmartWay Transport Partnership emissions calculator allows owners to use benefits of NOx reflash in evaluating the efficiency of their freight operations. Engines produced by consent decree manufacturers in model years 1993–1998 are eligible for reflash. Potential emissions benefits of reflashes are diminishing due to the rate of engine retirement. Of those engines that have not been retired, emissions benefits may be delayed as engines are being rebuilt later than anticipated.</p> <p>6. With respect to regional reformulated gasoline, the Energy Policy Act of 2005 (EPAct) includes provisions to allow States in the Ozone Transport Region to opt into the reformulated gasoline program more broadly than just the ozone nonattainment areas. EPA stands willing to respond to any such requests. Beyond the Ozone Transport Region, there may be advantages for other States to also adopt the reformulated gasoline program on a regional basis. However, any such requests would have to be viewed in the context of the limitations on boutique fuels required under section 1541(b) of EPAct. Such requests would also have to be viewed in the context of their air quality benefits in relation to the fuel production and distribution impacts which EPA must evaluate</p>

Comment (not verbatim)	Commenter	Response
<p>7. <u>Vehicle Emission Control Measures</u>: NE states need continued financial and technical support to facilitate adoption of Emission Control Measures. Also need development of EPA guidance on how states can obtain SIP credits for heavy-duty vehicle inspection and maintenance programs.</p> <p>8. <u>Fuel Efficiency Research for Heavy Duty Trucks</u>: EPA-OTAQ (HQ) should continue to cooperate with NESCAUM and the states on Fuel Efficiency Research for heavy-duty trucks.</p>		<p>under sections 1541 and 1509 of EPAct. As our resources allow, EPA would support state's requests in assessing such impacts as regional fuel strategies are considered.</p> <p>With respect to heating oil, a regional standard of 500 ppm may provide significant and cost effective PM benefits to the region. However, care would have to be taken to ensure such a program was a compliment to and did not detract from the successful transition of highway, nonroad, locomotive, and marine diesel fuel to 15 ppm. As our resources allow, EPA would support request from the states in assessing the impacts.</p> <p>7. EPA is engaged in multiple strategies that could be used, over the longer term, in place of snap-idle tests, to determine on-going compliance with heavy-duty engine emissions standards but at this time no reliable short test has been found that can be used for the purpose of conducting exhaust-based, heavy-duty diesel I/M. EPA continues to work with manufacturers to ensure compliance with existing and new emission standards by developing nationwide on-board diagnostics (OBD) requirements for new engines, requiring manufacturers to conduct in use tests after engines are on the road, and developing portable emissions measurement capabilities for PM. It has yet to be determined whether heavy-duty diesel vehicle OBD systems can be used as the basis for conducting heavy-duty diesel I/M testing as these systems were not originally designed with that purpose in mind.</p> <p>EPA and the California Air Resources Board (CARB) have worked towards the development of a nationwide OBD program for heavy-duty (HD) vehicles. The program will require robust monitoring of emission control systems including diesel aftertreatment. The CARB HD OBD rulemaking was adopted this summer. EPA is targeted to have a proposal by the end of 2005.</p> <p>8. OTAQ is working with NESCAUM on a heavy duty fuel economy modeling project that will assess the current and future potential fuel economy benefits from adding innovative technology</p>



Comment (not verbatim)	Commenter	Response
<p><u>9. Stage II Vapor Recovery:</u> In FY '07, EPA supported NESCAUM to gather state input on issues and to provide EPA with options to move forward during the Stage II/ORVR transition period. Upon receiving transition alternative memo (estimated June 2007), EPA should expedite a decision on transitioning by mid-2008. This will ensure enough time for states to revise and submit SIPs with Stage II revisions.</p> <p><u>10. Stage I Vapor Recovery Rules:</u> The NE states do not support EPA's proposed Stage I vapor recovery rules and would like to work with EPA to develop more appropriate control levels.</p> <p><u>11. LEV Waiver:</u> EPA should support obtaining the New England states' Low Emission Vehicle waiver.</p>		<p>to trucks. The project will use existing vehicle and truck modeling software and EPA as well as other experts from around the country are providing advice on how to design the project.</p> <p>9. EPA continues to work with NESCAUM in resolving Stage II gasoline vapor recovery issues. EPA currently has a contract with NESCAUM to develop technical information on this subject and, on May 1 and 2, 2007, EPA participated in a NESCAUM sponsored workshop on Stage II along with NESCAUM states and several other states. EPA plans to issue guidance by mid 2008 which will expedite States transitioning away from Stage II in favor of onboard refueling vapor recovery.</p> <p>10. In developing the Gasoline Distribution Area Source Rules proposal, we discussed our proposal, data needs, and issues with NESCAUM and other parties. We received numerous comments from organizations, States, environmental groups, and industry during the public comment period on the proposed rules. We are currently reviewing and using the data received in the comment letters to complete the final rule in December 2007. We will contact each commenter if we need clarification on their comments or data. Longer term, we are working on various projects on Stage I and vehicle refueling emission controls. Recently, we discussed these new projects with NESCAUM and others to solicit help and thoughts.</p> <p>11. Section 177 of the Clean Air sets forth the ability of States to adopt California's new motor vehicle emissions programs if certain criteria are met. EPA plays no approval role of State programs under this Section.</p>
<p>While NACAA is very disappointed that reductions were proposed for §103 and 105 grants in FY 2008, rather than the increases state and local agencies so desperately need, we support increased funding for the Diesel Emission Reduction provisions of the Energy Policy Act of 2005. With respect to EPA's plans for allocating the diesel funds, NACAA is pleased that EPA does not plan to limit the program to only nonattainment areas.</p>	<p>NACAA</p>	<p>EPA acknowledges the comment.</p>

Comment (not verbatim)	Commenter	Response
Many state and local agencies have active diesel emission reduction programs that apply outside of nonattainment areas to reduce air toxics, greenhouse gases and haze. We believe that school children who ride buses in attainment areas deserve the same protection against toxic air pollution as do children in nonattainment areas.		
Diesel emission reduction program – Enhanced funding is needed to bolster the diesel emission reduction program due to the health benefits derived from reducing emissions of diesel particulates.	SESARM/ Metro 4	EPA acknowledges this concern.
<b>Indoor Air</b>		
Guidance page 41, Indoor Air Section, Sub-objective 1.2.2 – Asthma: Add “Environmental Tobacco Smoke (ETS) activity” to this section since it is a significant asthma trigger and there are several U.S. EPA programs aimed to reduce ETS exposure.	Region 5	1. We don’t specifically break out ETS as an activity. It is holistically included under the general program project heading of “REDUCE RISKS FROM INDOOR ENVIRONMENTAL POLLUTANTS AND ASTHMA TRIGGERS.”
<b>Radiation</b>		
<p>1. Guidance page 49, Radiation Response Preparedness Subsection: Add “increase Regional capacity with Radiological Emergency Response Team (RERT) in conjunction with the Superfund program” to the FY 2008 Priorities list.</p> <p>2. Guidance page 49, Homeland Security Preparedness, Response, and Recovery Subsection: Provide an overview of Homeland Security priorities in the Executive Summary and Regional Priorities, given the importance of EPA’s role in Homeland Security. In addition, we suggest renaming this to Homeland Security <i>and Emergency</i> Preparedness, Response, and Recovery.</p>	Region 5	<p>1. We agree and have added this.</p> <p>2. We agree with the importance of Homeland Security, etc., but have not included that in the Regional Priorities discussion because that section was intended to specifically (and only) address the Regional Priorities that were developed by the Regions and Deputy Administrator during the Eco-Region process. We have revised the text of the Regional Priorities discussion to make this clearer.</p>
<b>Carbon Dioxide/Climate Change</b>		
How does the recent Supreme Court ruling on carbon dioxide affect the guidance on climate change?	WI	The ruling does not change anything in the FY 2008 National Program & Grant Guidance document.
EPA should utilize its expertise to assist the local and state agencies in creating a GHG registry.	SESARM/ Metro 4	We acknowledge these comments and have taken them under advisement.

Comment (not verbatim)	Commenter	Response
<p>EPA should: support the establishment of “The Climate Registry” nationally; establish a national cap and trade program for GHGs; and support state and regional climate change initiatives such as RGGI and The Climate Registry.</p> <p>The commissioners also urge EPA to support the RGGI states in development of a data tracking system for RGGI, using the "EATS" system (which would be very similar to what EPA currently supports for NOx and SO2 trading). The NE states seek federal funds to support this effort.</p>	NE States	We acknowledge these comments and have taken them under advisement.
<b>Innovative Approaches</b>		
<p>NACAA believes that the Performance Track program should be reevaluated and adjustments made (page 23). At a minimum, incentives proposed for inclusion in State/EPA MOAs, or Regional PPAs or PPGs must be adequately noticed and opportunity for public comment given on this and all other aspects of this program. We also encourage EPA to: 1) raise the standards for admission; 2) insure a consistently high level of achievement among members; 3) evaluate facilities in a holistic fashion rather than enabling them to cull four activities from an environmental performance table; and 4) monitor compliance with the members’ environmental commitments.</p>	NACAA	<p>The Performance Track program appreciates the comments. We are always looking for ways to improve PT. Recent evaluations included the Harvard Study, the IG evaluation, and our 2nd member survey, and we’ve put measures in place to make improvements per these evaluations. We would be happy to discuss specific concerns with NACAA if they would like.</p>
<p>In the OAR ‘Executive Summary,’ insert additional bullet as follows:</p> <p><b>Implement Agency Priority Innovations.</b> To support achievement of their program goals, Regions, states, and tribes are encouraged to use: 1) the National Environmental Performance Track Program (<a href="http://www.epa.gov/performancetrack/">http://www.epa.gov/performancetrack/</a>); 2) Environmental Management Systems (EMS) (<a href="http://www.epa.gov/ems/">http://www.epa.gov/ems/</a>); and, 3) the Environmental Results Program (ERP) (<a href="http://www.epa.gov/permits/erp/index.htm">http://www.epa.gov/permits/erp/index.htm</a>). States and tribes may be able to use these or other innovative tools and negotiate inclusion of their outcomes in Performance Partnership Agreements, categorical grant agreements, or other work plans, or through the “Element 13” flexibility process used in the context of the State Review Framework.”</p>	States Environmental Results Program Consortium	Suggested text added under Implementation Strategies on page 4 of the Final Guidance.
<b>Tribal Air Quality Management</b>		

Comment (not verbatim)	Commenter	Response
<p>1. With respect to the Status section, the OAR Guidance document provides a number of important statistics on tribes. For the benefit of both OAR staff and tribes, the NTAA recommends that these statistics be best conveyed through better specificity. As an example, OAR indicates that there are approximately 150 air quality monitors operating in Indian country, but there is no breakdown as to the location of these monitors or their types (e.g., mercury, IMPROVE, CASTNET). As noted above, there has been a lack of mercury monitors in Indian country thus far, so identifying their present locations within this OAR Guidance document would help the EPA better understand where data gaps still exist for such monitoring and subsequently help the Agency on where it should focus its attention in filling these gaps.</p> <p>2. As part of this same section, Fred S. Vallo, Governor (former) of the Pueblo of Acoma, is identified as the tribal co-chair of the Western Regional Air Partnership. This is no longer the case as Lloyd Irvine, Councilman for the Confederated and Salish Kootenai Tribes, assumed this role in November 2004. The NTAA therefore recommends this part of this section be appropriately updated.</p> <p>With respect to this section [2008 Accomplishments], the NTAA would like comment and make recommendations concerning items listed under the “Headquarters” subsection, and would also like to suggest two additional priorities to be pursued by OAR during FY 2008.</p> <p style="text-align: center;">Headquarters Subsection</p> <p>There are two listed priorities under this section for which the NTAA would like to comment on and make subsequent recommendations.</p> <p>3. First, OAR plans to “[p]rovide meaningful notice and access to tribes for participation in rule or program development.” As the NTAA understands this priority, it relates to government-to-government consultation between the EPA and tribes. If this is the case, how will this priority be integrated into the proposed EPA guidance for carrying out EO 131375? And without such guidance, how will the EPA proceed forward in providing meaningful government-to-government consultation? At the very least, the NTAA</p>	<p>NTAA</p>	<p>1. Because some tribal monitoring sites have not yet been entered onto the Air Quality System, EPA is not confident of the location and purpose of all tribal monitoring sites. EPA is developing a new data base of tribal air quality management activities, which will track all monitoring sites. We will be able to better display the location and types of tribal monitoring sites when this data base is on-line and populated. OAR is working to improve the availability of this type of detailed data, which is currently available in other documents. OAR continues to work under existing resource constraints to help tribes address these gaps.</p> <p>2. This change has been incorporated</p> <p>3. Agency development of this action is a large and complex undertaking involving many Offices within the Agency. OAR will continue to comply with the spirit of the EO for appropriate Agency actions while awaiting final consultation guidance. OAR will update the draft program guidance to affirm our commitment to carrying out consultation efforts for appropriate rules or program developments.</p>

Comment (not verbatim)	Commenter	Response
<p>recommends that the OAR develop interim guidance, in absence of EO 13175 guidance, to carry out meaningful government-to-government consultation between the EPA and tribes. Furthermore, the NTAA recommends that OAR commit additional resources beyond those required as part of the prospective EO 13175 or interim guidance. Specifically, the NTAA asks that for each rule or program development, OAR hold regular conference calls, public meetings distributed both regionally and fairly in accordance with tribal expectations, etc. The NTAA recommends that this be included as part of the Guidance document.</p> <p>4. Second, the OAR plans to “[s]upport effective tribal participation in RPO-related policies and activities.” The NTAA feels that this is a lofty priority, particularly since RPO funds have substantially declined in recent years and the proposed FY 2008 budget for RPOs is \$1 million to be divided among five RPOs (e.g., WRAP, CENRAP, Midwest RPO, VISTAS, and MANE-VU). Much of the past and current impetus for RPO work has been development of the policy and technical tools in support of regional haze implementation plans. With no tribe expected to submit an implementation plan by December 2007, the time that states must submit such plans, and with dwindling RPO resources, the NTAA is deeply concerned that tribal needs and concerns will not be addressed during FY 2008 and beyond. The NTAA therefore recommends that OAR create a tribal set-aside fund, be it through EPA discretionary funds or some other means, to allow tribes to continue their involvement in the RPO process and to help advance tribal issues and concerns. Some of these issues and concerns, recently identified by the Tribal Caucus of the WRAP but which are not inclusive by any means, include:</p> <ul style="list-style-type: none"> <li>• Particulate Matter in Rural Communities</li> <li>• Risk Management Analysis</li> <li>• Dust Modeling</li> <li>• Climate Change</li> <li>• Increased Emissions from Oil and Gas</li> <li>• Atmospheric Deposition</li> <li>• Consumption of PSD Increments</li> <li>• Continuing Collection of Tribal Regional Haze Data</li> <li>• Ozone</li> </ul>		<p>4. We are taking this under advisement, and will continue to work closely with RPO’s and tribes to continue this activity to the greatest extent possible.</p>

Comment (not verbatim)	Commenter	Response
<p>The tribal set-aside fund should also not take away from the limited fund already available to the RPOs which are primarily limited to the aforementioned policy and technical tools necessary for regional haze implementation plans being submitted by December 2007. Otherwise, the intent of the set-aside fund would lose its purpose.</p> <p style="text-align: center;">Additional Priorities</p> <p>5. NTAA recommends two additional priorities. First, under the “Headquarters” subsection, the NTAA recommends that a priority specific to international issues be added. A number of tribes, specifically those on the border of neighboring countries and those along coastal waters, are impacted by air pollutants both near and far away from their lands. As such, some effort on the part of OAR to address these emissions would help to address tribal issues and concerns about the air quality over their respective jurisdictions. Second, under the “Regions” subsection, the NTAA recommends that EPA regions (specifically Regions 6 and 10), provide specific resource and technical assistance to Oklahoma tribes and Alaskan Native Villages in the form of Direct Implementation Tribal Cooperative Agreements (DITCAs). Because many of the tribes have been unable to receive “treatment in the same manner as a state” (also known as TAS), and Alaskan Native Villages are not currently eligible for TAS (e.g., Metlakatla Indian Community), DITCAs are a next best alternative for these tribes and villages to work under as a means to address issues and concerns related to their respective air quality.</p>		<p>5. OAR is involved in extensive cross-border issues, and tribes are represented in those processes. OAR will provide contact information on those efforts to NTAA.</p> <p>5. EPA has made DITCA funding a priority and will continue to work with interested tribes to provide funding under the DITCA authority when appropriate. The program guidance does contain a commitment to continue the use of DITCA authority.</p>